5/15/87 C0175-1

American Banker

The Daily Financial Services N

VOL. CLII NO. 95 Friday, May 15, 1987

TOP MORTGAGE SERVICERS — TABLES BEGIN ON P. 18

155389000015 8/15/05 C11
STATISTICAL REFERENCE INDEX
JOHN P KENNEDY
4520 EAST WEST HIGHWAY
SITE 800
BETHESDA MD 20814

TODAY

FEATURE SECTION

American Banker

MORTGAGE BANKING: Debate about the future of the secondary mortgage market mounts as investment banking companies confront the three government mortgage agencies and their allies. See **Page 9.**

THRIFTS & MORTGAGES

TOP 25 mortgage servicers..... 18

MORTGAGE SERVICING, once dominated by commercial-bank-related firms, is now more evenly spread out, according to an *American Banker* survey..... 24

DEPOSIT INSTITUTION FAILURES have helped fill the tills at legal firms..... 24

MIDWEST THRIFTS, flush with new powers that allow interstate expansion, are gearing up for a round of takeovers..... 25

THE FED WILL CONSIDER five bank holding company applications to underwrite and deal in new and controversial types of securities and place commercial paper through subsidiaries..... 2

THE GAO GAVE the Federal Savings and Loan Insurance Corp. a qualified auditor's opinion, forcing the deposit fund to liquidate $774 million in secondary reserves..... 2

DAVID O. BEIM'S RESIGNATION as head of Bankers Trust New York Corp.'s investment banking has quickened a staff shakeup..... 2

THRIFT EXECUTIVES should not rely too heavily on Wall Street whiz kids, an analyst warned..... 2

1ST NATIONAL CINCINNATI CORP. has agreed to buy a mutual fund management firm..... 2

LINCOLN NATIONAL CORP. has established a new $500 million revolving credit facility with foreign and domestic banks..... 3

THIRD WORLD DEBT reflects fundamental insolvency rather than temporary illiquidity, according to Charles L. Coltman 3d..... 6

SEN. TIMOTHY E. WIRTH, D-Colo., has been assigned to the Senate Banking Committee..... 27

KEEPING CURRENT

Executive Changes..... 30

In the News..... 3

Quote

Just because there hasn't been a crisis yet doesn't mean we aren't getting close.

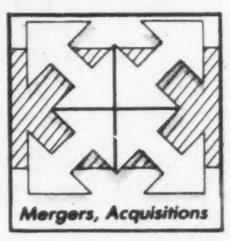
Sen. Jake Garn on the need to approve FSLIC recapitalization [Page 1]

Unquote

First Interstate in Merger Talks With Allied Bancshares of Texas

By NINA EASTON
and MICHAEL A. ROBINSON
West Coast Bureau

LOS ANGELES — Fresh from its rejected hostile bid for BankAmerica Corp., First Interstate Bancorp is negotiating a friendly merger with Allied Bancshares Inc., a Houston company that has suffered the ravages of a depressed energy economy.



First Interstate and Allied on Thursday announced that the two companies are "engaged in preliminary discussions regarding a potential merger." First Interstate had been rumored for several months to be interested in a Texas acquisition.

Like other Texas banks, Allied has posted losses as a result of the troubled Oil Patch economy. However, analysts say the company is a well-managed bank, and any merger with First Interstate won't involve financial assistance from the Federal Deposit Insurance Corp. As of March 31 this year, the $9.2 billion-asset bank holding's primary capital was at 8.13% of assets, well above regulatory requirements.

"Allied is a very good company that has come on hard times because of where it is located," said Donald K. Crowley, senior vice president at Keefe, Bruyette & Woods in San Francisco.

Sandra J. Flannigan, a bank analyst with PaineWebber Inc. in Houston, said that before this announcement her firm had predicted a 1987 loss for Allied of $2.25 a share, primarily because of troubled real estate loans. However,

First Interstate: Page 31 ➤

A VIEW FROM OUTSIDE

MARTIN MAYER

Where Japan's Banks Are Going

Last of Three Parts

FIVE or six years ago when I visited the United States, I was very impressed by the extent and the pace of the deregulation. Now I am told that this progress has been very much slowed down. Is that true?" asked Michitsura Kitahara, executive director of the Federation of Japanese Bankers, who has been with that institution something more than fifty years.

I said I thought it was.

"Then," he said rather sadly, with the air of an old man who would like to see something happen but is not sure he has the time, "change will probably be slow here, too."

It is almost impossible to overestimate the degree of foreign influence in the organization of Japanese economic life. Over time, the Japanese have traditionally improved on foreign models, but the models remain as a skeleton.

Article 65 of the Securities Transaction law, which separates financial activities into well-walled compartments, was a legacy from the American Army of Occupation and the viceroyalty of General MacArthur. And every significant change in the

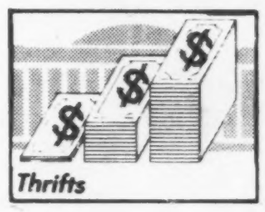
View: Page 4 ➤

Proxmire Hints House to Bow On Nonbanks

Predicts 'We Can Work Out an Accommodation'

By ROBERT M. GARSSON
Washington Bureau

WASHINGTON — En route to an overwhelming Senate floor victory Thursday in his battle to close the loophole permitting limited-service banks, Sen. William Proxmire, D-Wis., dropped a strong hint that his counterparts in the House are now willing to bow on that issue.



"I have had discussions with my colleagues on the House side, and I am sure we can work out an accommodation within half a day," Mr. Proxmire, the chairman of the Senate Banking Committee, said on the Senate floor before a 62-to-37 vote to amend a House-passed banking bill.

Afterward, Mr. Proxmire said he has not asked House Banking Committee Chairman Fernand J. St Germain or other members of the House committee whether they will accept the nonbank-bank language. "But I just get the impression that there is a lot of support there."

When asked about his floor statement, he responded quickly: "That statement still stands."

Mr. St Germain has said on a number of occasions — and he has been joined by House Speaker Jim Wright at least once — that he will not accept the broad language in the Senate bill without first holding hearings.

However, the House Banking Committee chairman is a longtime opponent of nonbank banks and is widely believed to be eager to join Mr. Proxmire in closing the loophole. Nonbank

Proxmire: Page 30 ➤

Would you feel more secure with a credit card program that offers very little risk?

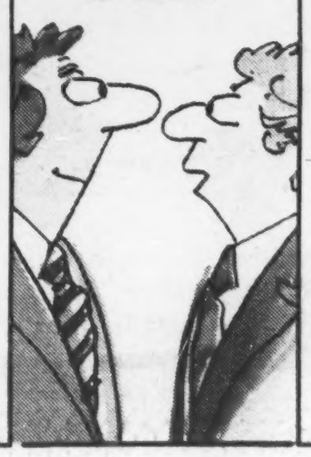
If you have some good reasons to have a credit card program and also some good reasons not to want the full risk of running one, talk to Franklinton Financial Services.

Franklinton offers the perfect solution, and takes on the responsibility for conducting the program from beginning to end. Or, if you have a program now and want to convert, Franklinton may be interested in purchasing your portfolio. What could be easier? You benefit, and have the advantage of security, too.

It's just another way Franklinton takes a personal interest in your needs. And another reason why Franklinton is one of America's most popular credit card processors.

Call Joette Kuharic at 614/863-8222 for more information. You'll find her very helpful.

Talk to Franklinton... America's personal favorite.



FRANKLINTON FINANCIAL SERVICES
4661 East Main Street • Columbus, Ohio 43251
A member of National City Corporation

SOFTWARE SOLUTION
In-Bank Trainer
FOR FINANCIAL INSTITUTIONS
INTERACTIVE TUTORIAL TRAINING PROGRAMS FOR:
Teller
Bank Cards
New Accounts
Operations Officer
Commercial Loan Officer
Commercial Loan Secretary
Installment Loan Secretary
Installment Loan Officer
Affordable, custom-tailored to your specific procedures and policies.

For free demo diskette call
1-800-445-0910
IN UTAH CALL 801-266-9979

OFFERED BY:
PERSONAL ADVANCEMENT THRU COMPUTER EDUCATION, INC.
dba P.A.C.E. INSTITUTE
A PUBLICLY TRADED COMPANY

PULL OUT AND SAVE

FEATURE SECTION

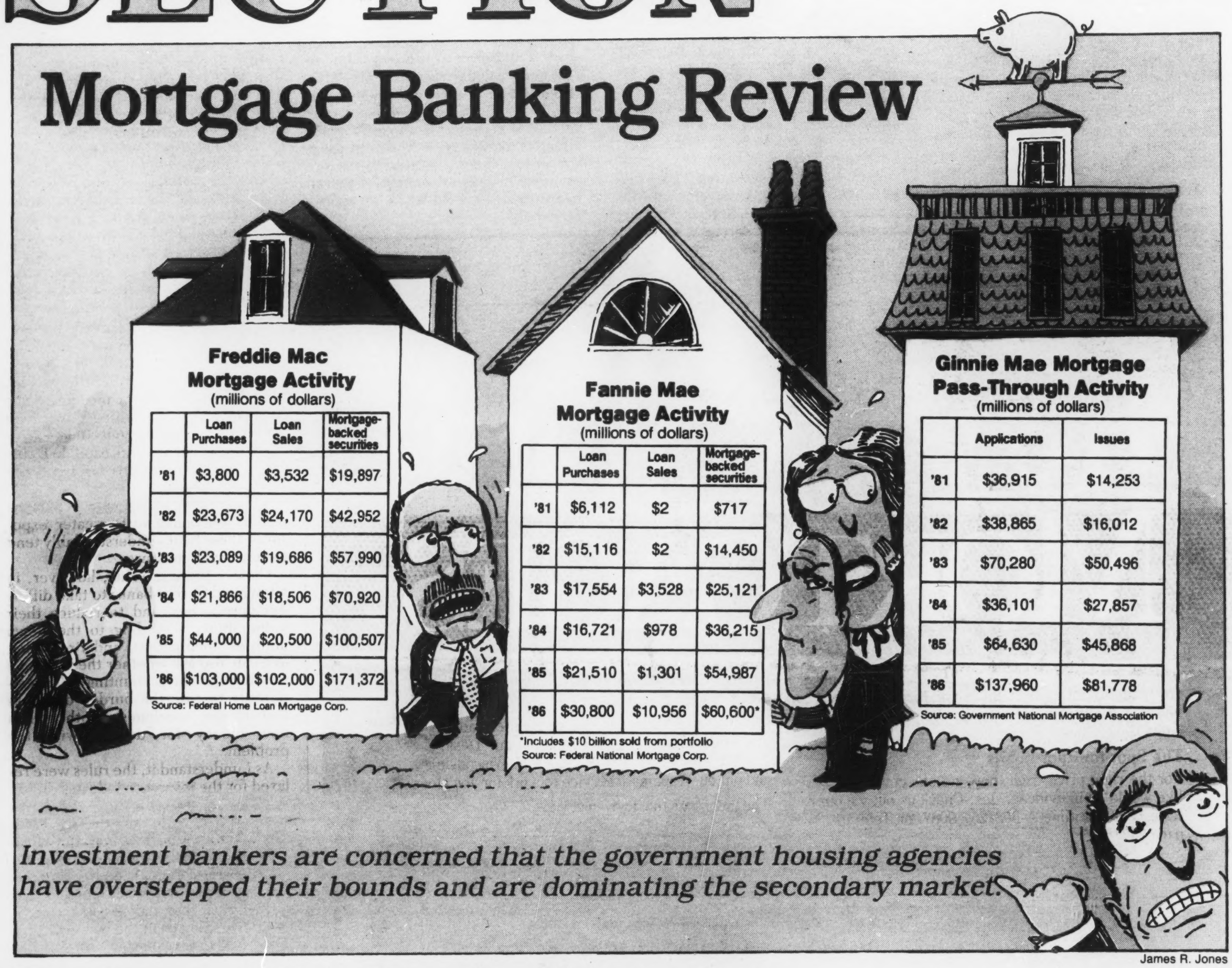
American Banker

CONTENTS

Allies of Freddie Mac oppose plans to scale back the federally chartered company 12

Fannie Mae brings cheer to its shareholders but draws criticism from thrifts 14

Ginnie Mae, the dream girl of the mortgage market, still appeals to investors 15



Debate Is Building Up In the Secondary Market

By Mark Basch

FOR THE FIRST three months of this year, players in the mortgage-backed-securities market held their breath while awaiting a decision from the U.S. Department of Housing and Urban Development (HUD) that would help shape the future of the secondary mortgage market.

They were waiting for HUD Secretary Samuel R. Pierce Jr. to decide whether or not the Federal National Mortgage Association (Fannie Mae) would be allowed to issue Remic securities. Remics are mortgage-backed securities issued under the real estate mortgage investment conduit provisions of the new tax code passed by Congress last year.

Mark Basch is an American Banker staff writer.

On one side of the debate were the large Wall Street investment banking companies, which feel that the government mortgage agencies — Fannie Mae, the Federal Home Loan Mortgage Corp. (Freddie Mac), and the Government National Mortgage Association (Ginnie Mae) — are crowding out the private sector and dominating the secondary mortgage market.

On the other side were mortgage banking and housing trade groups that support the housing agencies. These groups argued that Fannie Mae and Freddie Mac provide access for smaller mortgage lending firms to the secondary market and provide lower costs to home buyers.

Mr. Pierce's decision, announced on April 21, turned out to be something of a compromise: Fannie Mae could issue Remics, but it would be limited to $15 billion of the securities through July 20, 1988.

OVERVIEW

By agreeing to let Fannie Mae into the market but limiting its authority, Mr. Pierce avoided making a broad policy decision and assured that the war between the public sector and the private sector will rage on.

"This is only the beginning of a much broader discussion and dialogue of the role of subsidized government agencies," said Thomas Vartanian, a Washington attorney who represented five big Wall Street firms in their case against the use of Remics by Fannie Mae.

The three government-related mortgage agencies were created by Congress to develop the secondary mortgage market and thereby help provide funds for mortgage loans to the nation's home buyers.

Fannie Mae and Freddie Mac have similar functions, purchasing all types of residential mortgage loans from lending institutions, but the two agencies differ in ownership. Fannie Mae is a stock company whose shares are trading on the New York Stock Exchange. Freddie Mac's stock is owned by thrift institutions, with the Federal Home Loan Bank Board acting as its board of directors.

Ginnie Mae is a wholly owned government corporation within HUD. Its mission is to guarantee securities backed by mortgage loans originated through the Federal Housing Administration, the Veterans Administration, and the Farmers Home Administration.

The Fannie Mae/Remic battle publi-

Continued on Next Page

American Banker
MORTGAGE SERVICING

Summary of Survey Findings

Top 25 Mortgage Servicers

Among Banks, Thrifts, and Mortgage Companies

Based on the Combined Mortgage Servicing Volume of Firms
With More than One Servicing Subsidiary
As of Dec. 31, 1986, Compared with Dec. 31, 1985

(Dollar Figures in Millions)

Rank 12/86	Rank 12/85		Servicing Volume 12/31/86	12/31/85	% Chg.	Number of Subsidiaries 12/31/86	12/31/85
1	**3**	**Citicorp, New York (a)**	**24,325**	**16,477**	**47.63**	**6**	**6**
2	1	GMAC Mortgage Co., Philadelphia	22,872	20,353	12.38	...	...
3	2	Lomas & Nettleton Financial Corp., Dallas	21,628	19,720	9.68	...	...
4	**5**	**Fleet Financial Group, Inc., Providence, R.I.(b)**	**18,654**	**12,595**	**48.11**	**3**	**3**
5	**23**	**CityFed Financial Corp., Bedminster, N.J. (c)**	**16,155**	**6,126**	**163.71**	**2**	**1**
6	4	Fireman's Fund Mortgage Corp., Farmington Hills, Mich. (d)	14,610	14,899	– 19.40	...	...
7	7	Metmor Financial Inc., Los Angeles	12,337	11,332	8.87	...	...
8	6	Commonwealth Mortgage Corp. of America, Houston (e)	11,823	12,054	– 1.92	...	...
9	**11**	**Bank of Boston Corp. (f)**	**11,659**	**9,598**	**21.47**	**2**	**4**
10	**12**	**Sears, Roebuck & Co., Chicago**	**11,376**	**9,205**	**23.59**	**2**	**2**
11	9	Weyerhaeuser Mortgage Co., Los Angeles	11,160	9,844	13.37	...	...
12	**13**	**Mellon Bank Corp., Pittsburgh**	**11,000**	**8,796**	**25.06**	**3**	**3**
13	**10**	**First Interstate Bancorp., Los Angeles**	**10,984**	**9,674**	**13.54**	**6**	**6**
14	15	Home Savings of America FA, Los Angeles	10,751	7,768	38.40	...	...
15	14	First Union Mortgage Corp., Charlotte, N.C. (g)	9,827	8,221	19.54	...	...
16	17	Goldome Realty Credit Corp., Buffalo, N.Y.	9,127	7,059	29.30	..	..
17	8	American Savings & Loan Assn., Stockton, Calif.	8,497	10,102	–15.89		
18	**16**	**Meritor Mortgage Group, Philadelphia**	**8,159**	**7,723**	**5.65**	**3**	**3**
19	21	Chemical Mortgage Corp., Columbus, Ohio	7,608	6,362	19.59	...	...
20	19	Sovran Mortgage Corp.., Richmond	7,244	6,593	9.87	...	...
21	**...**	**BankAmerica Corp., San Francisco (h)**	**7,116**	**4,536**	**...**	**3**	**2**
22	29	Shearson Lehman Mortgage Corp., Irvine, Calif.	6,712	4,830	38.96	...	...
23	22	Imco Realty Services Inc., Santa Rosa, Calif.	6,586	6,186	6.47	...	...
24	20	Anchor Mortgage Services, Inc., Wayne, N.J.	6,544	6,545	– 0.02	...	...
25	24	Alliance Mortgage Co., Jacksonville, Fla.	6,427	6,037	6.46	...	...

Listing of the top 25 firms in the mortgage industry. The listing includes mortgage companies, commercial banks, and thrifts. For firms with more than one subsidiary engaged in servicing mortgages for others, a combined servicing figure for all of these subsidiaries is used, and the name of the parent company is shown in bold type. All data — except data for the thrifts — are from American Banker questionnaires sent directly to the mortgage firms. Data for thrifts are from the thrift's report of condition submitted by FSLIC-insured institutions to the Federal Home Loan Bank Board. Source of these thrift data is **ADP Data Services Division, New York.** The 1985 ranks and servicing volumes for some firms have been revised to reflect the inclusion of thrifts into the tabulation. **(a)**—The mortgage servicing total for Citicorp was computed by adding the mortgages serviced for investors by the following six subsidiaries: Citicorp Howeowners Services Inc., St. Louis ($19.76 billion on Dec. 31, 1986); Citicorp Real Estate Inc., New York ($2.1 billion); Citicorp Savings of Illinois, FS&LA, Chicago ($1.0 billion); Citicorp Savings, FS&LA, San Francisco ($703.1 million); Citicorp Savings of Washington, D.C., FS&LA ($431.6 million); and Citicorp Savings of Florida, FS&LA, Miami ($305.5 million) Data for Citicorp Real Estate Inc. were received after the reporting deadline for inclusion in the listing of the Top 100 Mortgage Companies that appears on page 19. Citicorp Real Estate would have ranked 85th among the top 100 firms, if the data had been available earlier. **(b)**—Fleet Real Estate Funding Corp., Florence, S.C. purchased all of the assets of Security Pacific Mortgage Corp., Denver, on Nov. 6, 1986. Security Pacific Mortgage had a servicing portfolio of $2.89 billion on Dec. 31, 1986. **(c)**—On June 1, 1986, Kissell Co., Springfield, No., was acquired by CityFed Financial Corp. Kissell Co. was servicing $6.7 billion for investors on 12/31/85 to rank 18th among the top 25 firms on that date. CityFed is the parent of City Federal Savings Bank, Elizabeth, N.J., who was servicing approximately $9.3 billion for investors on Dec. 31, 1986, through its mortgage division — CityFed Mortgage Co. **(d)**—Formerly Manufacturers Hanover Mortgage Corp, company was sold to Fireman's Fund Corp., Novato, Calif. on June 30, 1986. **(e)**—A subsidiary of Commonwealth Savings Association, Houston. Company changed name from Commonwealth Mortgage Corp. and now reports consolidated data which includes Commonwealth Western Mortgage Corp., Portland, Oregon. **(f)**—Three mortgage company subsidiaries — Mortgage Corporation of the South, Birmingham, Ala.; Stockton, Whatley, Davin & Co., Jacksonville, Fla.; and BancBoston Mortgage Corp., Wellesley Hills, Mass. — merged into one entity called BancBoston Mortgage Companies, Inc., Jacksonville. **(g)**—Formerly known as Cameron-Brown Co. **(h)**—Data for Bank of America NT&SA were not available for Dec. 31, 1985. The bank was servicing $4 billion in mortgages for investors on Dec. 31, 1986.

Citicorp's Road to the Top

Leading Mortgage Servicers: 1983 to 1985

1983 Servicing Volume	($ Bil.)	**1984 Servicing Volume**	($ Bil.)	**1985 Servicing Volume**	($ Bil.)
1. Lomas & Nettleton Financial Corp.	$18.1	1. Lomas & Nettleton Financial Corp.	$17.6	1. GMAC Mortgage Co.	20.4
2. Norwest Mortgage Inc.	12.1	2. Fleet Financial Group, Inc.	12.0	2. Lomas & Nettleton Financial Corp.	19.7
3. Fleet Financial Group, Inc.	11.6	3. Manufacturers Hanover Corp.	11.9	**3. CITICORP**	**16.5**
4. Manufacturers Hanover Corp.	9.5	4. Norwest Mortgage Inc.	11.1	4. Manufacturers Hanover Corp.	14.9
5. Weyerhaeuser Mortgage Co.	8.1	**5. CITICORP**	**9.3**	5. Fleet Financial Group, Inc.	12.6
6. Commonwealth Savings Assn.	6.7	6. Weyerhaeuser Mortgage Co.	8.8	6. Commonwealth Mtge. Corp. of Amer.	12.1
7. First Interstate Bancorp.	6.6	7. CrossLand Capital Corp.	8.6	7. Metmor Financial Inc.	11.3
8. Colonial Mortgage Service Co.	6.6	8. First Interstate Bancorp.	8.3	8. American Savings & Loan Assn.	10.1
9. Suburban Coastal Corp.	6.2	9. Colonial Mortgage Service Co.	7.4	9. Weyerhaeuser Mortgage Co.	9.8
10. Ralph C. Sutro Co.	6.1	10. Bank of Boston Corp.	7.3	10. First Interstate Bancorp.	9.7
11. Kissell Co.	6.1	11. Kissell Co.	6.9	11. Bank of Boston Corp.	9.6
12. CITICORP	**5.8**	12. Commonwealth Savings Assn.	6.8	12. Sears, Roebuck & Co.	9.2
13. BankAmerica Corp.	5.6	13. Cameron-Brown Co.	6.6	13. Mellon Bank Corp.	8.8
14. Cameron-Brown Co.	5.6	14. Anchor Mortgage Services, Inc.	6.5	14. Cameron-Brown Co.	8.2
15. Mellon National Corp.	5.5	15. Goldome Realty Credit Corp.	6.5	15. Home Savings of America FA	7.8

Top 100 Mortgage Companies

Based on Volume of Permanent Mortgages Serviced on December 31, 1986

Compiled by American Banker Copyright 1987

Rank 1986	Name of Firm and Headquarters City	Dollar Volume of Mortgages Serviced 12/31/86	Dollar Volume of Mortgages Serviced 12/31/85	Rank 1985	Gain in Rank	Number of Mortgages Serviced 12/31/86	Number of Mortgages Serviced 12/31/85	Number of Investors Excluding GNMA Pools 12/31/86	Number of Investors Excluding GNMA Pools 12/31/85	Number of Investors Number of GNMA Pools 12/31/86	Number of Investors Number of GNMA Pools 12/31/85	Year Opened
1	GMAC Mortgage Co., Philadelphia	22,871,796,162	20,353,026,000	1		367,791	340,729	30,001	1,275	4,198	1,691	1985
2	Lomas & Nettleton Financial Corp., Dallas	21,628,192,873	19,719,558,301	2		676,872	660,365	700	890	3,950	2,720	1894
3	Citicorp Homeowners Services, Inc., St. Louis, Mo.	19,757,457,679	11,901,379,578	4	+1	280,135	197,340	268	267	2,255	1,045	1982
4	Fireman's Fund Mortgage Corp., Farmington Hills, Mich. (a)	14,610,016,000	14,899,391,000	3		356,904	371,403	467	544	3,657	3,488	1946
5	Metmor Financial, Inc., Los Angeles	12,336,992,358	11,332,238,624	5		251,427	251,569	678	618	2,442	2,252	1910
6	Commonwealth Mortgage Corp. of America, Houston	11,823,000,000	9,186,375,433	7	+1	226,000	226,052	800	655	3,600	2,962	1955
7	Weyerhaeuser Mortgage Co., Los Angeles	11,159,538,626	9,843,880,614	6		192,733	188,210	490	474	2,604	2,299	1955
8	Fleet Mortgage Corp., Milwaukee, Wis.	10,354,542,000	7,815,861,000	10	+2	283,295	246,511	593	786	2,741	2,183	1921
9	First Union Mortgage Corp., Charlotte, N.C. (b)	9,827,000,000	8,220,724,000	9		187,844	172,890	355	400	1,447	1,200	1946
10	BancBoston Mortgage Companies, Inc., Jacksonville, Fla. (c)	9,770,000,000	.....	...		249,000	.....	470	.....	1,410	.....	1908
11	First Interstate Mortgage Co., Pasadena, Calif.	9,133,359,000	8,517,171,313	8		93,929	101,289	595	582	642	508	1971
12	Goldome Realty Credit Corp., Buffalo, N.Y.	9,127,030,765	7,058,943,044	11		166,721	143,799	325	328	1,094	538	1983
13	Fleet Real Estate Funding Corp., Columbia, S.C. (d)	8,401,937,000	4,567,206,000	28	+ 15	188,380	129,284	786	236	2,052	982	1930
14	Sears Mortgage Corp., Lincolnshire, Ill.	8,101,044,605	6,035,000,000	18	+4	143,255	123,000	281	230	754	356	1962
15	Chemical Mortgage Corp., Columbus, Ohio	7,608,000,000	6,361,797,000	15		96,456	91,618	269	250	877	730	1946
16	Sovran Mortgage Corp., Richmond	7,243,607,000	6,592,904,632	13		165,355	162,356	285	265	1,554	1,327	1983
17	Kissell Co., Springfield, Ohio (e)	6,877,457,252	6,717,454,000	12		212,154	222,191	460	425	1,152	903	1884
18	Shearson Lehman Mortgage Corp., Irvine, Calif.	6,711,893,104	4,829,972,000	25	+7	106,643	94,825	450	451	1,320	959	1946
19	Imco Realty Services Inc., Santa Rosa, Calif.	6,585,952,000	6,185,989,289	16		124,416	130,859	339	260	405	338	1973
20	Anchor Mortgage Services, Inc., Wayne, N.J.	6,543,968,399	6,544,958,917	14		139,073	137,477	192	195	650	587	1973
21	Alliance Mortgage Co., Jacksonville, Fla.	6,427,472,000	6,037,022,576	17		123,448	122,358	200	217	1,968	1,716	1960
22	Bright Mortgage Co., Dallas	6,400,000,000	4,750,000,000	26	+4	145,000	126,000	320	295	950	780	1924
23	Knutson Mortgage Corp., Bloomington, Minn.	6,138,815,657	3,773,326,233	34	+ 11	100,694	72,859	184	171	844	655	1954
24	BancPlus Mortgage Corp., San Antonio, Tex.	5,918,223,692	6,000,991,115	19		135,827	137,965	224	305	2,186	1,949	1923
25	Waterfield Mortgage Co., Inc., Fort Wayne, Ind.	5,600,000,000	4,500,000,000	30	+5	140,000	128,000	215	125	1,450	1,200	1928
26	New York Guardian Mortgagee Corp., Hempstead, N.Y.	5,490,452,365	4,872,880,350	24		122,189	106,636	82	22	3,943	3,059	1976
27	Talman Home Mortgage Corp., Chicago	5,170,856,000	4,986,969,458	23		138,286	137,547	225	165	503	455	1981
28	Mellon Financial Services Corp. #8, Cleveland	4,654,100,000	3,415,913,000	40	+ 12	87,409	71,516	390	150	1,510	787	1945
29	Colwell Financial Corp., Los Angeles	4,649,845,685	5,123,178,355	22		130,067	173,494	692	486	1,836	2,196	1947
30	Bowest Corp., La Jolla, Calif.	4,606,785,031	5,162,484,635	21		88,554	99,195	236	262	399	373	1971
31	Lincoln Service Corp., Owensboro, Ky.	4,363,212,584	3,752,827,235	35	+4	67,882	61,413	139	129	784	655	1976
32	Southeast Mortgage Co., Miami	4,268,500,000	4,000,200,000	31		58,870	71,504	316	337	608	721	1970
33	ICA Mortgage Corp., San Diego, Calif.	4,200,000,000	1,384,578,895	102	+ 69	54,294	27,607	249	30	361	516	1969
34	J.I. Kislak Mortgage Service Corp., Miami	4,177,000,000	3,500,385,066	38	+4	131,502	125,733	174	283	432	408	1953
35	Reilly Mortgage Group, Inc., Washington, D.C.	4,130,489,087	3,986,901,358	32		1,256	1,265	63	91	6	5	1976
36	Empire of America Realty Credit Corp., Buffalo, N.Y.	4,100,000,000	N.A.	...		121,385	N.A.	172	N.A.	279	N.A.	1984
37	Troy & Nichols Mortgage Co., Monroe, La.	4,058,628,300	3,482,690,175	39	+2	119,140	107,759	454	294	633	826	1947
38	Mortgage & Trust, Inc., Houston	4,037,941,544	3,614,247,237	37		90,936	88,276	361	311	1,401	938	1946
39	Rainier Mortgage Co., Seattle	3,902,580,000	4,686,277,777	27		69,465	93,598	155	167	1,042	973	1943
40	Countrywide Funding Corp., Inc., Pasadena, Calif.	3,751,309,299	1,754,000,000	85	+ 45	55,209	35,000	55	77	999	3	1969
41	Paine Webber Mortgage Finance, Inc., Columbia, Md. (f)	3,722,000,000	3,036,678,715	46	+5	33,300	30,644	80	80	644	470	1939
42	Glenfed Mortgage Corp., Irvine, Calif. (g)	3,656,000,000	N.A.	...		84,371	N.A.	189	N.A.	652	N.A.	1946
43	Foster Mortgage Corp., Fort Worth, Tex.	3,280,803,556	2,697,580,415	53	+ 10	45,023	44,556	287	215	234	301	1938
44	Coldwell Banker Real Estate Fin. Ser., El Segundo, Calif.	3,274,873,755	3,169,570,749	42		5,360	6,324	16	19	0	0	1972
45	Crocker Mortgage Co., Inc., San Diego, Calif.	3,269,296,000	3,125,594,034	43		52,788	49,615	52	93	2	2	1979
46	Chase Home Mortgage Corp., Montvale, N.J. (h)	3,259,254,730	2,932,531,000	48	+2	67,944	68,466	65	56	268	233	1980
47	American General Mortgage Corp., Houston	3,203,845,334	2,818,359,517	51	+4	27,174	28,991	52	58	5	5	1939
48	Pacific First Mortgage Corp., Walnut Creek, Calif.	3,190,467,000	4,538,443,000	29		72,229	107,253	220	197	269	650	1955
49	Meritor Mortgage Corp.-West, Orange, Calif.	3,167,542,854	3,200,000,000	41		52,676	59,000	0	150	0	450	1984
50	Associates National Mortgage Corp., Dallas	3,158,630,000	.....	...		45,840	.....	19	.....	895	.....	1984
51	Dorman & Wilson, Inc., White Plains, N.Y.	3,153,497,000	2,131,353,000	63	+ 12	1,461	1,621	12	0	0	0	1937
52	Lumbermen's Investment Corp., Austin, Tex.	3,138,117,927	2,927,758,349	49		85,907	80,515	207	202	789	690	1954
53	SunTrust Mortgage, Inc., Atlanta (i)	2,999,100,000	1,161,545,005	111	+ 58	63,243	26,418	0	143	0	189	1927
54	Barnett Mortgage Company, Jacksonville, Fla.	2,994,841,466	2,122,000,000	64	+ 10	59,350	49,000	157	140	277	0	1948
55	Meritor Mortgage Corp.-East, Philadelphia	2,974,718,501	2,718,779,000	52		83,009	84,673	369	353	475	368	1942
56	ICM Mortgage Corp., Englewood, Colo.	2,913,948,000	2,655,149,000	54		41,914	40,036	31	30	1,191	925	1972
57	Margaretten & Company, Inc., Perth Amboy, N.J.	2,639,000,000	1,847,000,000	78	+ 21	46,148	35,427	68	70	608	386	1909
58	Old Stone Mortgage Corp., Seattle	2,570,000,000	2,276,418,000	60	+2	63,000	63,718	160	225	532	443	1932
59	North American Mortgage Co., Houston	2,522,850,159	1,962,618,526	73	+ 14	32,834	25,006	275	263	361	51	1968
60	Seafirst Mortgage Corp., Seattle	2,515,879,944	3,800,000,000	33		47,081	72,000	348	344	291	206	1924
61	Mortgage Investment Co. of El Paso, Tex.	2,451,762,163	2,592,272,754	56		63,751	67,821	138	149	1,047	903	1920
62	Travelers Mortgage Services, Inc., Cherry Hill, N.J.	2,445,000,000	1,077,720,752	116	+ 54	29,900	16,704	35	33	0	0	1945
63	Gilldorn Mortgage Midwest Corp., Schaumburg, Ill.	2,424,681,355	2,306,017,892	59		66,804	68,500	224	252	7	375	1926
64	NBD Mortgage Co., Troy, Mich.	2,418,519,382	1,860,833,194	76	+ 12	74,470	64,231	135	123	307	219	1973
65	Murray Mortgage Co., Dallas	2,400,000,000	1,822,639,850	81	+ 16	4,300	42,336	100	170	240	265	1908
66	Equitable Mortgage Resource Inc., Clearwater, Fla.	2,369,943,290	2,622,682,066	55		65,976	74,460	113	133	709	681	1968
67	National Mortgage Co., Memphis, Tenn.	2,367,398,047	1,855,185,805	77	+ 10	82,672	73,220	92	92	450	395	1951
68	ARCS Mortgage, Inc., Canoga Park, Calif.	2,330,830,000	2,070,961,405	67		41,252	37,274	86	66	450	318	1971
69	U.S. Bancorp Mortgage Co., Portland, Ore.	2,324,236,407	1,803,021,432	82	+ 13	40,901	41,815	167	123	295	317	1967
70	Mellon Financial Services Corp. #7, Metairie, La.	2,307,887,689	1,765,985,799	84	+ 14	44,420	37,297	64	56	745	441	1958
71	Ryan Financial Services, Inc., Pittsburgh	2,240,092,212	2,012,842,353	72	+1	39,749	37,145	96	116	713	572	1970
72	Cenlar Capital Corp., Pennington, N.J.	2,228,066,069	1,494,695,599	95	+ 23	42,650	35,820	160	150	566	415	1958
73	Shawmut Mortgage Corp., Dayton, Ohio	2,215,003,686	1,636,354,642	90	+ 17	52,146	45,730	78	84	650	400	1955
74	CalFed Mortgage Co., Los Angeles	2,208,080,000	1,780,075,944	83	+9	28,669	25,303	48	50	293	250	1973
75	FBS Mortgage Corp., St. Paul, Minn.	2,201,872,169	1,843,992,265	79	+4	41,874	41,361	432	225	412	345	1968
76	First Wachovia Mortgage Co., Winston-Salem, N.C.	2,197,848,510	2,197,456,947	62		48,577	49,401	140	140	429	357	1968
77	Washington Mortgage Corp., Seattle	2,189,772,061	739,595,286	161	+ 84	19,213	4,182	151	61	190	6	1949
78	Collateral Mortgage, Ltd., Birmingham, Ala. (j)	2,185,610,955	2,027,969,205	70		65,919	66,055	103	117	574	465	1933
79	AmSouth Mortgage Co., Inc., Birmingham, Ala.	2,166,100,808	2,072,860,089	66		62,709	64,476	267	191	909	761	1946
80	Independence One Mortgage Corp., Southfield, Mich.	2,161,400,000	1,886,083,000	74		52,505	53,624	301	181	271	176	1970
81	United Virginia Mortgage Corp., Richmond	2,136,257,000	2,051,803,000	69		53,992	55,202	290	279	438	390	1927
82	Guild Mortgage Co., San Diego, Calif.	2,120,000,000	2,053,908,877	68		39,641	34,192	88	89	499	412	1960
83	Charles F. Curry & Co., Kansas City, Mo.	2,120,000,000	2,020,000,000	71		55,000	55,000	40	41	1,000	980	1928
84	CitFed Mortgage Corp. of America, Dayton, Ohio	2,018,603,000	.....	...		40,435	.....	61	.....	.....	.....	N.A.
85	United Mortgage Corp., Minneapolis	2,004,752,723	815,018,028	149	+ 64	36,972	13,793	37	33	291	127	1975
86	CFS Mortgage Corp., Omaha, Neb.	1,932,233,775	1,481,126,891	97	+ 11	44,269	36,931	140	55	323	133	1983
87	RIHT Mortgage Corp., Charlotte, N.C.	1,889,000,000	1,501,164,000	94	+7	37,000	29,827	70	67	1	499	1982
88	Western Mortgage Loan Corp., Ogden, Utah	1,878,101,671	1,706,685,000	87		30,190	28,810	42	32	756	623	1951
89	Latimer & Buck, Inc., Philadelphia	1,831,487,000	2,248,800,000	61		830	30,700	31	40	0	0	1952
90	DRG Funding Corp., Washington, D.C.	1,805,864,333	.....	...		465	0	8	0	241	0	1982
91	Firstier Mortgage Co., Omaha, Neb.	1,800,000,000	1,414,099,256	98	+7	25,991	20,109	60	62	511	372	1972
92	American Mortgage Co., Houston	1,800,000,000	1,868,686,598	75		33,550	34,813	187	182	0	335	1953
93	Meritor Mortgage Corp.-Central, St. Paul, Minn.	1,784,383,000	1,612,240,000	91		40,700	39,400	240	219	365	314	1940
94	Nowlin Mortgage Co., Fort Worth, Tex.	1,777,274,000	1,600,000,000	93		25,351	26,000	292	282	240	210	1954
95	Midland Mortgage Co., Oklahoma City	1,761,000,000	2,427,621,563	57		38,860	103,467	185	145	494	428	1950
96	Ryan Mortgage Co., Arlington, Tex.	1,737,316,688	1,684,354,467	88		24,684	25,174	95	150	189	187	1945
97	Colonial Mortgage Co., Montgomery, Ala.	1,726,371,000	1,404,793,899	100	+3	48,800	43,734	77	88	662	460	1966
98	First Alabama Real Estate Financing, Inc., Montgomery	1,707,459,000	1,658,676,000	89		41,429	43,655	171	170	482	377	1946
99	L.J. Melody & Co., Houston	1,704,773,938	1,406,150,348	99		158	168	8	8	0	0	1978
100	Citizens & Southern Commercial Corp., Tucker, Ga.	1,674,623,538	1,258,365,000	105	+5	34,224	28,396	197	214	334	353	1973

Based on permanent real estate mortgages serviced for others. Excludes mortgages owned by the institution, as well as forward commitments, home improvement loans and all temporary financing, such as construction and development loans. (a)— Formerly Manufacturers Hanover Mortgage Corp, company was sold to Fireman's Fund Corp., Novato, Calif. on June 30, 1986. (b)— Formerly known as Cameron-Brown Co. (c)— Bank of Boston Corp. merged three of its four mortgage company subsidiaries into one new company. The three companies are Mortgage Corporation of the South, Birmingham, Ala.; Stockton, Whatley, Davin & Co., Jacksonville, Fla.; and BancBoston Mortgage Corp., Wellesley Hills, Mass.(d)— Fleet Real Estate Funding Corp., Florence, S.C. purchased all of the assets of Security Pacific Mortgage Corp., Denver, on Nov. 6, 1986. Security Pacific Mortgage had a servicing portfolio of $2.89 billion on Dec. 31, 1986. (e)— Acquired by CityFed Financial Corp., Bedminster, N.J. on June 1, 1986. (f)— Its parent, PaineWebber Group, Inc., New York, also owns PaineWebber Housing and Healthcare Funding, Inc., New York, which was servicing $966.3 million for investors on 12/31/86. (g)— Acquired the $3.05 billion servicing portfolio of Merrill Lynch Mortgage Corp., Stamford, Conn., in Oct. 1986. (h)— Has signed an agreement with Freedom Savings, Tampa, to acquire the $985 million servicing portfolio of Freedom's mortgage subsidiary, Freedom Mortgage Co. The transaction is expected to be completed before the end of May. (i)— Doing business as Sunbank Mortgage Co. (j)— Formerly known as Collateral Investment Co.

American Banker
MORTGAGE SERVICING

Ownership of the Top 100 Mortgage Companies

The Names of Parent Companies

Compiled by American Banker Copyright 1987

Rank 12/86	Name of Mortgage Servicer	Name of Parent Company
1	GMAC Mortgage Co., Philadelphia	General Motors Acceptance Corp., Detroit
3	Citicorp Homeowners Services, Inc., St. Louis, Mo.	Citicorp, New York
4	Fireman's Fund Mortgage Corp., Farmington Hills, Mich.	Fireman's Fund Corp., Novato, Calif.
5	Metmor Financial, Inc., Los Angeles	Metropolitan Life Insurance Co., New York
6	Commonwealth Mortgage Corp. of America, Houston	Commonwealth Savings Assn., Houston
7	Weyerhaeuser Mortgage Co., Los Angeles	Weyerhaeuser Co., Tacoma, Wash.
8	Fleet Mortgage Corp., Milwaukee, Wis.	Fleet Financial Group, Inc., Providence, R.I.
9	First Union Mortgage Corp., Charlotte, N.C.	First Union Corp., Charlotte, N.C.
10	BancBoston Mortgage Companies, Inc., Jacksonville, Fla.	Bank of Boston Corp.
11	First Interstate Mortgage Co., Pasadena, Calif.	First Interstate Bancorp., Los Angeles
12	Goldome Realty Credit Corp., Buffalo, N.Y.	Goldome FSB, Buffalo, N.Y.
13	Fleet Real Estate Funding Corp., Columbia, S.C.	Fleet Financial Group, Inc., Providence, R.I.
14	Sears Mortgage Corp., Lincolnshire, Ill.	Sears Roebuck & Co., Chicago
15	Chemical Mortgage Corp., Columbus, Ohio	Chemical New York Corp.
16	Sovran Mortgage Corp., Richmond	Sovran Financial Corp., Norfolk, Va.
17	Kissell Co., Springfield, Ohio	CityFed Financial Corp., Bedminster, N.J.
18	Shearson Lehman Mortgage Corp., Irvine, Calif.	Shearson Lehman Bros., Inc., New York
20	Anchor Mortgage Services, Inc., Wayne, N.J.	Anchor Savings Bank FSB, Northport, N.Y.
21	Alliance Mortgage Co., Jacksonville, Fla.	Owens-Illinois, Inc., Toledo, Ohio
22	Bright Mortgage Co., Dallas	Bright Banc Savings Assn., Dallas
23	Knutson Mortgage Corp., Bloomington, Minn.	Home Owners Fed. Savings & Loan Assn., Boston
24	BancPlus Mortgage Corp., San Antonio, Tex.	BancPlus Savings Assn., Pasadena, Tex.
26	New York Guardian Mortgagee Corp., Hempstead, N.Y.	Guardian Bank NA, Hempstead, N.Y.
27	Talman Home Mortgage Corp., Chicago	Talman Home Federal Savings & Loan Assn., Chicago
28	Mellon Financial Services Corp. #8, Cleveland	Mellon Bank Corp., Pittsburgh
29	Colwell Financial Corp., Los Angeles	Mercury Savings Assn., Houston
30	Bowest Corp., La Jolla, Calif.	Bowest Holding Corp., La Jolla, Calif.
31	Lincoln Service Corp., Owensboro, Ky.	Great Financial Federal Savings & Loan Assn., Louisville,
32	Southeast Mortgage Co., Miami	Southeast Banking Corp., Miami
33	ICA Mortgage Corp., San Diego, Calif.	Imperial Savings & Loan Assn., San Diego, Calif.
34	J.I. Kislak Mortgage Service Corp., Miami	J.I. Kislak, Inc., Miami
35	Reilly Mortgage Group, Inc., Washington, D.C.	Perpetual Savings Bank FSB, McLean, Va.
36	Empire of America Realty Credit Corp., Buffalo, N.Y.	Empire of America FSB, Buffalo, N.Y.
37	Troy & Nichols Mortgage Co., Monroe, La.	Stockton Savings Assn., Dallas
38	Mortgage & Trust, Inc., Houston	Mellon Bank Corp., Pittsburgh
39	Rainier Mortgage Co., Seattle	Rainier Bancorp, Seattle
40	Countrywide Funding Corp., Inc., Pasadena, Calif.	Countryside Credit Industries, Inc., Los Angeles
41	Paine Webber Mortgage Finance, Inc., Columbia, Md.	Paine Webber Group, Inc., New York
42	Glenfed Mortgage Corp., Irvine, Calif.	Glendale Federal Savings & Loan Assn., Calif.
43	Foster Mortgage Corp., Fort Worth, Tex.	Benjamin Franklin Savings Assn., Houston
44	Coldwell Banker Real Estate Fin. Ser., El Segundo, Calif.	Sears Roebuck & Co., Chicago
45	Crocker Mortgage Co., Inc., San Diego, Calif.	Wells Fargo & Co., San Francisco
46	Chase Home Mortgage Corp., Montvale, N.J.	Chase Manhattan Corp., New York
47	American General Mortgage Corp., Houston	American General Corp., Houston
48	Pacific First Mortgage Corp., Walnut Creek, Calif.	Pacific First Federal Savings Bank, Tacoma, Wash.
49	Meritor Mortgage Corp.-West, Orange, Calif.	Meritor Savings Bank, Philadelphia
50	Associates National Mortgage Corp., Dallas	Associates First Capital Corp., Dallas
52	Lumbermen's Investment Corp., Austin, Tex.	Temple-Eastex, Inc.., Diboll, Tex.
53	SunTrust Mortgage, Inc., Atlanta (g)	SunTrust Banks, Inc., Atlanta
54	Barnett Mortgage Company, Jacksonville, Fla.	Barnett Banks of Florida, Inc., Jacksonville
55	Meritor Mortgage Corp.-East, Philadelphia	Meritor Savings Bank, Philadelphia
56	ICM Mortgage Corp., Englewood, Colo.	Pulte Home Corp., Detroit
57	Margaretten & Company, Inc., Perth Amboy, N.J.	Berg Enterprises, Inc., Iselin, N.J.
58	Old Stone Mortgage Corp., Seattle	Old Stone Corp., Providence, R.I.
59	North American Mortgage Co., Houston	Monyco, Inc., New York
60	Seafirst Mortgage Corp., Seattle	BankAmerica Corp., San Francisco
61	Mortgage Investment Co. of El Paso, Tex.	First Savings of Orange, Tex.
62	Travelers Mortgage Services, Inc., Cherry Hill, N.J.	Travelers Corp., Hartford, Conn.
63	Gilldorn Mortgage Midwest Corp., Schaumburg, Ill.	Enterprise Savings Bank, Chicago
64	NBD Mortgage Co., Troy, Mich.	NBD Bancorp, Inc., Detroit
65	Murray Mortgage Co., Dallas	Murray Savings Assn., Dallas
66	Equitable Mortgage Resource Inc., Clearwater, Fla.	Equitable Life Assurance Society of the U.S., New York
68	ARCS Mortgage, Inc., Canoga Park, Calif.	Bank of New York Co., Inc.
69	U.S. Bancorp Mortgage Co., Portland, Ore.	U.S. Bancorp., Inc., Portland, Ore.
70	Mellon Financial Services Corp. #7, Metairie, La.	Mellon Bank Corp., Pittsburgh
71	Ryan Financial Services, Inc., Pittsburgh	Ryan Homes, Inc., Pittsburgh
72	Cenlar Capital Corp., Pennington, N.J.	Cenlar Federal Savings Bank, Pennington, N.J.
73	Shawmut Mortgage Corp., Dayton, Ohio	Shawmut Corp., Boston
74	CalFed Mortgage Co., Los Angeles	California Federal Savings & Loan Assn., Los Angeles
75	FBS Mortgage Corp., St. Paul, Minn.	First Bank System, Inc., Minneapolis
76	First Wachovia Mortgage Co., Winston-Salem, N.C.	First Wachovia Corp., Winston-Salem, N.C.
77	Washington Mortgage Corp., Seattle	Puget Sound Bancorp., Tacoma, Wash.
79	AmSouth Mortgage Co., Inc., Birmingham, Ala.	AmSouth Bancorporation, Birmingham, Ala.
80	Independence One Mortgage Corp., Southfield, Mich.	Michigan National Corp., Bloomfield Hills
81	United Virginia Mortgage Corp., Richmond	United Virginia Bankshares, Inc., Richmond
84	CitFed Mortgage Corp. of America, Dayton, Ohio	Citizens Federal S & L Assn. of Dayton, Ohio
85	United Mortgage Corp., Minneapolis	Midwest Federal Savings & Loan Assn., Minneapolis
86	CFS Mortgage Corp., Omaha, Neb.	Commercial Federal Savings & Loan Assn., Omaha, Neb.
87	RIHT Mortgage Corp., Charlotte, N.C.	Bank of Boston Corp.
88	Western Mortgage Loan Corp., Ogden, Utah	United Savings & Loan Assn., Ogden, Utah
89	Latimer & Buck, Inc., Philadelphia	Fidelcor, Inc., Philadelphia
91	Firstier Mortgage Co., Omaha, Neb.	Firstier, Inc., Omaha, Neb.
93	Meritor Mortgage Corp.-Central, St. Paul, Minn.	Meritor Savings Bank, Philadelphia
94	Nowlin Mortgage Co., Fort Worth, Tex.	Nowlin Savings Assn., Fort Worth, Tex.
95	Midland Mortgage Co., Oklahoma City	Midland Financial Co., Oklahoma City
97	Colonial Mortgage Co., Montgomery, Ala.	Superior Mortgage Co., Montgomery, Ala.
98	First Alabama Real Estate Financing, Inc., Montgomery	First Alabama Bancshares, Inc., Montgomery
100	Citizens & Southern Commercial Corp., Tucker, Ga.	Citizens & Southern Corp., Atlanta

Top 100 Thrifts in Mortgage Servicing

Dec. 31, 1986 Compared with Dec. 31, 1985 (Thousands of Dollars)

Compiled by American Banker Copyright 1987

Rank 12/31/86		Loans Serviced for Others			Loan Servicing Fees			Total Assets	
		12/31/86	12/31/85	% Chg.	1986	1985	% Chg.	12/31/86	12/31/85
1	City Federal Savings Bank, Elizabeth, N.J.	16,218,477	6,125,508	164.77	39,623	14,028	182.46	10,449,020	8,032,013
2	Home Savings of America, FA, Los Angeles	10,750,876	7,767,506	38.41	52,810	40,556	30.22	27,789,661	26,746,193
3	American Savings & Loan Assn., Stockton, Calif.	8,497,264	10,102,203	-15.89	N.A.	N.A.	...	33,921,995	27,340,841
4	Great Western Savings, FS&LA, Beverly Hills, Calif.	6,228,922	3,536,599	76.13	23,146	10,465	121.18	24,236,502	23,566,740
5	Home Owners Federal Savings & Loan Assn., Burlington, Mass.	5,943,536	3,234,166	83.77	33,423	17,163	94.74	1,388,222	977,818
6	Mercury Savings Assn. of Texas, Wichita Falls	4,688,917	4,500,000	4.20	114	1,195	-90.46	664,166	665,755
7	Standard Federal Savings & Loan Assn., Gaithersburg, Md.	4,198,348	2,780,514	50.99	7,911	9,329	-15.20	1,086,611	977,818
8	Homestead Savings, FS&LA, San Francisco	4,125,771	5,824,148	-29.16	13,440	21,868	-38.54	5,402,082	4,642,653
9	Imperial Savings Assn., San Diego, Calif.	3,762,158	1,661,972	126.37	4,721	1,779	165.37	8,877,448	7,232,593
10	Transohio Savings Bank, FSB, Cleveland	3,569,910	1,477,202	141.67	8,883	6,386	39.10	5,162,535	3,213,570
11	First Nationwide Bank, FSB, San Francisco	3,549,435	3,185,582	11.42	15,375	7,282	111.14	16,048,835	11,452,225
12	California Federal Savings & Loan Assn., Los Angeles	3,225,096	2,391,715	34.84	5,070	3,065	65.42	20,510,245	17,990,751
13	Home Federal Savings & Loan Assn., San Diego, Calif.	3,189,998	3,107,765	2.65	12,599	11,525	9.32	11,928,617	9,857,608
14	Great American First Savings Bank, San Diego, Calif.	3,142,638	2,671,480	17.64	956	2,882	-66.83	10,514,699	8,271,797
15	Victor Federal Savings & Loan Assn., Muskogee, Okla.	3,017,666	2,138,256	41.13	56	63	-11.11	601,315	457,995
16	AmeriFirst Federal Savings & Loan Assn., Miami	2,981,901	2,384,067	25.08	6,933	2,696	157.16	4,016,949	4,428,859
17	Pacific First Federal Savings Bank, Tacoma, Wash.	2,947,958	3,318,800	-11.17	12,143	13,055	-6.99	4,096,433	3,365,066
18	Colonial Savings & Loan Assn., Ft. Worth, Tex.	2,907,335	3,028,818	-4.01	13,542	11,915	13.66	608,955	468,411
19	MeraBank, FSB, Phoenix, Ariz.	2,880,535	1,773,124	62.46	7,281	5,548	31.24	6,275,474	5,175,765
20	Coast Savings & Loan Assn., Los Angeles	2,785,674	2,812,706	-0.96	5,010	4,050	23.70	9,255,282	7,381,950
21	ComFed Savings Bank, Lowell, Mass.	2,674,234	2,018,442	32.49	17,050	7,322	132.86	1,277,503	899,064
22	Carteret Savings Bank, FA, Newark, N.J.	2,661,231	12,612	21,000.78	2,974	3,804	-21.82	5,645,847	5,184,440
23	Gibraltar Savings, Beverly Hills, Calif.	2,579,930	2,175,784	18.57	28	29	-3.45	11,340,955	9,431,953
24	Glendale Federal Savings & Loan Assn., Calif.	2,520,651	2,771,694	-9.06	4,086	3,492	17.01	17,451,589	14,148,344
25	Standard Federal Bank, Troy, Mich.	2,401,213	2,047,218	17.29	7,421	5,405	37.30	7,864,464	6,868,596
26	Mid-First Savings & Loan Assn., Oklahoma City	2,353,904	0	...	4,390	0	...	386,189	164,916
27	Duval Federal Savings & Loan Assn., Jacksonville, Fla.	2,146,317	894,701	139.89	6,757	3,135	115.53	1,117,829	1,065,771
28	Cenlar Federal Savings Bank, Pennington, N.J.	1,931,319	1,700,000	13.61	13,567	6,048	124.32	509,888	400,547
29	Investors Savings Bank, Richmond	1,726,301	703,688	145.32	2,465	1,214	103.05	1,621,051	939,906
30	Leader Federal Savings & Loan Assn., Memphis, Tenn.	1,612,644	921,634	74.98	3,441	2,192	56.98	1,860,733	1,685,519
31	Gibraltar Savings Assn., Houston	1,588,237	1,165,549	36.27	4,137	7	59,000.00	4,663,691	5,050,650
32	Western Federal Savings & Loan Assn., Marina Del Rey, Calif.	1,562,892	871,328	79.37	934	2,945	-68.29	1,841,567	1,514,238
33	Dime Savings Bank of New York, FSB	1,491,546	649,499	129.65	5,393	698	672.64	8,370,325	8,273,834
34	Buckeye Federal Savings & Loan Assn., Columbus, Ohio	1,459,530	1,285,712	13.52	3,449	2,676	28.89	1,335,893	1,313,285
35	Albuquerque Federal Savings & Loan Assn., N.M.	1,446,334	1,065,082	35.80	4,719	5,030	-6.18	2,099,826	1,702,232
36	Dominion Federal Savings & Loan Assn., Tyson Corner, Va.	1,405,213	994,858	41.25	3,761	1,507	149.57	1,737,206	1,389,601
37	First Southern Federal Savings & Loan Assn., Mobile, Ala.	1,250,327	265,033	371.76	4,754	2,984	59.32	2,495,734	2,053,339
38	Sears Savings Bank, Glendale, Calif.	1,215,042	1,241,936	-2.17	8,449	4,179	102.18	6,576,523	6,157,387
39	Perpetual Savings Bank, FSB, McLean, Va.	1,182,369	1,081,806	9.30	4,459	4,074	9.45	4,406,004	4,048,088
40	Mercury Savings & Loan Assn., Huntington Beach, Calif.	1,176,755	940,167	25.16	N.A.	N.A.	...	2,379,323	2,179,875
41	Chevy Chase Savings Bank, FSB, Md.	1,133,994	902,415	25.66	4,385	N.A.	...	2,784,433	2,252,448
42	First Minnesota Savings Bank, FSB, Minneapolis	1,122,327	0	...	3,195	0	..	3,063,214	0
43	Far West Savings & Loan Assn., Newport Beach, Calif.	1,053,644	1,022,516	3.04	1,619	1,405	15.23	3,052,526	2,443,218
44	Union Federal Savings & Loan Assn., Los Angeles, Calif.	1,043,206	1,122,403	-7.06	1,331	699	90.41	1,516,440	1,356,779
45	American Savings & Loan Assn., Salt Lake City, Utah	1,038,805	1,050,480	-1.11	4,317	3,051	41.49	2,867,591	2,833,582
46	First Texas Savings Assn. Dallas	1,037,309	1,279,002	-18.90	5,272	407	1,195.33	3,708,862	3,716,266
47	Citicorp Savings of Illinois, FS&LA, Chicago	1,027,609	1,015,937	1.15	3,778	3,348	12.84	5,527,563	4,507,955
48	United Savings Assn., Houston	1,006,172	1,122,675	-10.38	3,041	3,069	-0.91	5,988,566	4,755,945
49	Beverly Hills Savings, FS&LA, Calif.	996,723	1,242,513	-19.78	3,154	N.A.	...	1,961,792	2,474,928
50	Decatur Federal Savings & Loan Assn., Ga.	968,746	745,883	29.88	682	859	-20.61	1,893,359	1,754,784
51	Columbia Savings & Loan Assn., Beverly Hills, Calif.	963,040	599,316	60.69	1,513	834	81.41	8,171,241	6,463,336
52	Atlantic Financial Federal, Bala Cynwyd, Pa.	883,394	854,873	3.34	3,336	N.A.	...	5,556,247	4,218,614
53	Georgia Federal Bank, FSB, Atlanta	858,326	851,716	0.78	N.A.	N.A.	....	3,208,844	2,469,792
54	Valley Federal Savings & Loan Assn., Van Nuys, Calif.	851,185	736,602	15.56	4,442	4,368	1.69	2,615,162	2,443,581
55	University Savings Assn., Houston	849,049	1,220,229	-30.42	26	7	271.43	3,935,592	3,843,393
56	Central Savings & Loan Assn., San Diego, Calif.	846,710	1,076,744	-21.36	980	1,110	-11.71	1,698,530	2,197,511
57	First Federal Savings & Loan Assn., Rochester, N.Y.	813,659	766,290	6.18	3,499	3,123	12.04	4,503,364	4,674,235
58	Boston Five Cents Savings Bank, FSB	810,587	508,969	59.26	2,417	1,702	42.01	1,930,670	1,652,033
59	Bay View Federal Savings & Loan Assn., San Mateo, Calif.	804,518	705,204	14.08	1,191	866	37.53	1,603,199	1,419,712
60	Downey Savings & Loan Assn., Costa Mesa, Calif.	802,740	918,307	-12.58	3,115	3,875	-19.61	2,494,570	2,612,203
61	Fortune Savings Bank, Clearwater, Fla.	793,885	541,534	46.60	2,033	1,836	10.73	2,396,121	2,040,467
62	Savings Bank of Puget Sound, FSB, Seattle	781,659	801,054	-2.42	3,219	N.A.	...	1,249,958	1,038,440
63	Platte Valley Federal Savings & Loan Assn., Gering, Neb.	781,460	326,944	139.02	576	26	2,115.38	410,619	361,902
64	First Federal Savings & Loan Assn., Greenville, S.C.	764,913	577,562	32.44	2,105	1,189	77.04	1,861,511	1,781,736
65	Suncoast Savings & Loan Assn., Hollywood, Fla.	739,460	64,883	1,039.68	1,048	N.A.	...	65,606	19,570
66	Sterling Savings & Loan Assn., Royal Oak, Mich.	719,967	255,839	181.41	1,624	722	124.93	65,512	38,871
67	Citicorp Savings, FS&LA, San Francisco	703,127	408,608	72.08	1,191	24	4,862.50	4,978,642	4,408,892
68	Home Federal Savings & Loan Assn., Atlanta	693,840	483,281	43.57	2,060	1,117	84.42	230,833	193,180
69	Old Stone Bank, FSB, Providence, R.I.	689,426	520,584	32.43	3,311	2,278	45.35	3,512,277	2,796,248
70	Continental Savings Bank, Seattle	687,393	0	...	N.A.	0	...	94,345	0
71	Mechanics & Farmers Savings Bank, FSB, Bridgeport, Conn.	687,268	407,814	68.52	2,283	1,251	82.49	1,035,111	814,517
72	First Fed. Savings Bank of California, Santa Monica	684,791	452,458	51.35	701	452	55.09	1,457,236	1,232,732
73	Western Savings & Loan Assn., Phoenix, Ariz.	681,943	600,282	13.60	3,130	2,506	24.90	5,565,674	5,026,790
74	Community Federal Savings & Loan Assn., St. Louis, Mo.	677,265	640,157	5.80	2,351	2,660	-11.62	4,030,483	3,740,121
75	Loyola Federal Savings & Loan Assn., Baltimore	675,346	532,782	26.76	1,922	1,731	11.03	1,625,591	1,497,634
76	First Financial Savings Assn., Stevens Point, Wis.	671,317	448,023	49.84	5,706	2,711	110.48	1,845,041	1,869,083
77	Farm & Home Savings Assn., Nevada, Mo.	647,348	666,977	-2.94	2,352	2,381	-1.22	3,305,835	2,805,578
78	Hill Financial Savings & Loan Assn., Red Hill, Pa.	638,590	581,159	9.88	1,563	1,426	9.61	2,696,861	2,324,339
79	First Federal Savings & Loan Assn., Amarillo, Tex.	599,073	137,333	336.22	2,095	790	165.19	272,722	277,444
80	Far West Federal Bank, Portland, Ore.	596,886	682,703	-12.57	1,392	1,219	14.19	2,253,779	2,230,515
81	Guarantee Savings, FS&LA, Fresno, Calif.	596,778	478,701	24.67	2,947	2,055	43.41	2,895,979	2,822,090
82	San Francisco Federal Savings & Loan Assn.	588,953	244,808	140.58	2,230	2,727	-18.23	2,378,424	1,925,278
83	Honolulu Federal Savings & Loan Assn.	581,794	540,871	7.57	585	400	46.25	1,686,104	1,649,654
84	Santa Barbara Savings & Loan Assn., Calif.	579,095	393,180	47.28	1,225	747	63.99	3,656,555	3,148,991
85	Champion Federal Savings & Loan Assn., Bloomington, Ill.	575,599	313,516	83.59	1,011	496	103.83	1,975,378	1,771,217
86	World Savings & Loan Assn., FS&LA, Oakland, Calif.	574,211	681,322	-15.72	2,767	2,774	-0.25	12,515,718	12,252,609
87	Southwest Savings & Loan Assn., Los Angeles	571,417	364,078	56.95	3,205	2,936	9.16	769,087	846,561
88	Cardinal Federal Savings Bank, Cleveland	569,622	557,990	2.08	1,053	907	16.10	1,683,455	1,593,697
89	United Federal Savings & Loan Assn., Rocky Mount, N.C.	562,815	322,905	74.30	1,481	975	51.90	253,088	211,586
90	Empire Savings Building & Loan Assn., Denver	561,823	535,154	4.98	1,722	1,123	53.34	2,076,180	1,956,995
91	Hamilton Savings Bank, San Francisco	560,286	196,197	185.57	1,050	256	310.16	188,910	152,268
92	First Home Federal Savings & Loan Assn., Greensboro, N.C.	543,539	464,011	17.14	2,618	1,816	44.16	1,312,858	976,594
93	Fulton Federal Savings & Loan Assn., Atlanta	542,340	476,660	13.78	2,733	2,008	36.11	2,053,532	1,950,193
94	United Savings Bank, FSB, San Francisco	532,800	0	...	N.A.	0	...	667,773	0
95	Northeast Savings, FA, Hartford, Conn.	511,340	457,658	11.73	346	176	96.59	5,933,450	4,627,897
96	Ameribanc Savings Bank, Annandale, Va.	510,961	284,679	79.49	1,538	114	1,249.12	804,286	690,785
97	Sunbelt Savings Assn. of Texas, Dallas	510,356	965,735	-47.15	2,577	2,100	22.71	3,195,492	2,999,870
98	Household Bank, FSB, Newport Beach, Calif.	509,606	333,108	52.99	1,104	512	115.63	2,129,398	1,208,899
99	Vernon Savings & Loan Assn., Tex.	506,306	692,463	-26.88	352	119	195.80	1,347,012	1,145,436
100	Columbia Savings, FS&LA, Englewood, Colo.	503,956	565,549	-10.89	2,409	1,813	32.87	2,718,020	2,502,884
	TOTALS FOR TOP 100	178,818,701	132,369,510	35.09	490,183	318,687	53.81	445,093,407	383,739,884

All data are from the Quarterly Financial Report to the Federal Home Loan Bank Board for FSLIC-insured institutions and were provided by **ADP Data Services Division, New York**, from their data base of FHLBB data. **Mortgage Loans Serviced for Others** are the total of all unpaid principal balances of all whole loans and participating interests in loans serviced by an institution but owned by others at the close of the period, whether or not originated by the institution. **Loan Servicing Fees** are the fees earned **during 1986 and 1985** as a result of the servicing for others of loans or participations therein. Annual fees earned are calculated by summing the fees earned in each of the four quarters of the year.

THRIFTS & MORTGAGES

AN AMERICAN BANKER WEEKLY FEATURE

[Home equity loans] are land mines that could be triggered by income loss, higher interest rates, or balloon payments. The explosion could destroy one's home.

— Stephen Brobeck, Consumer Federation of America

Newswatch

Bank Board to Hold Conference

The Federal Home Loan Bank Board will hold an open staff conference next Thursday and Friday on mortgage-related pass-through and derivative securities, such as collateralized mortgage obligations, real estate mortgage investment conduits, stripped securities and senior/subordinated mortgage-backed securities.

A notice published in the *Federal Register* says the conference will address legal and financial issues concerning the new mortgage products. The notice says the Bank Board "does not seek to impede the development of such mortgage-related securities and derivative products or to inhibit thrifts' prudent participation in the markets for such securities.

Rather, the staff merely seeks to identify the types of risk stemming from investment in or issuance of such securities."

The Bank Board has previously said it is developing a regulatory package to address thrifts' use of these mortgage-backed securities.

Co-op Bank Forms Mortgage Unit

Co-operative Bancorp, Acton, Mass., said it has formed a mortgage company called Bancorp Mortgage Co. It will be a subsidiary of the Co-operative Bank of Concord, which currently services about $400 million in loans.

Bancorp Mortgage will have four offices in Massachusetts and will also originate loans through the 13 retail banking offices of the Co-operative Bank and the Quincy Co-operative Bank. The Concord bank is waiting for regulatory approval to complete its acquisition of the Quincy bank.

Convertible Mortgage Offered

Home Owners Federal Savings and Loan Association, Boston, has introduced a convertible mortgage that can be converted from an adjustable rate to a fixed rate at anytime after the first year of the loan and up to the end of the fifth year. Generally, convertible mortgages can be changed from adjustable to fixed rates only during limited times.

Borrowers can convert the new product to a fixed rate for a $750 fee. The charge for converting under the terms of an earlier Home Owners' product was $250 plus 1% of the outstanding principal.

"We're in a very anxious interest rate cycle for home buyers," said Fred Biel, executive vice president. The new product "puts much more power into the consumers' hands."

Bank Offers Prime Equity Line

The Central Bank of the South, Birmingham, Ala., is offering a home equity line of credit with interest set at the prime rate. The special interest rate will apply only until Dec. 31. Then the rate will be adjusted to the prime plus 150 basis points.

The $3.7 billion-asset bank said that it is offering the incentive rate to attract customers and to introduce equity lines to consumers.

Pima Buying Home Builder

Pima Savings and Loan Association, Tucson, Ariz., said Wednesday it is purchasing a majority interest in the Tobin Co., a Tucson home building company.

Saul Tobin, managing partner of the home building firm, and his three partners will continue to manage and operate the Tobin Co. as a subsidiary of Pima. Terms of the deal were not disclosed.

Southold Completes Conversion

Southold Savings Bank, Southold, N.Y., said this week it completed its conversion from mutual to stock form of ownership by selling 5.5 million shares of common stock at $12 each.

The $581 million-asset savings bank sold all shares though a subscription and community offering.

Over-the-counter trading in Southold's common stock began on April 28, it said.

Mortgage Servicing – It's Not Just For Banking Companies Anymore

By MARK BASCH

THE mortgage-servicing business, which was dominated by commercial-bank-related firms just four years ago, is now more evenly spread out among bank-related, thrift-related, and other firms, according to an *American Banker* survey.

In 1983, 48.1% of the total servicing at the 100 largest mortgage-servicing companies was done by commercial bank-related firms, while only 17.4% of the business was done by thrift companies. But in 1986, bank firms' share dropped to 33.9% as thrifts' share rose to 27.2%. Mortgage banking companies owned by others now lead the market with a 38.9% share.

Thirty-five of the 100 largest mortgage servicers at yearend 1986 were bank-related, down from 45 in 1983. Meanwhile, the number of thrift-related companies has nearly doubled from 16 in 1983 to 31 in 1986.

There was little change among the largest mortgage servicers in the *American Banker* survey. GMAC Mortgage Co., Philadelphia, retained the top spot, followed closely by Lomas & Nettleton Financial Corp., Dallas.

Citicorp Homeowners Services Inc., St. Louis, ranks third, but its parent company, Citicorp, actually has the largest mortgage-servicing portfolio in the country when all of its subsidiaries are grouped together. Besides Citicorp Homeowners, the bank holding company's total servicing portfolio includes about $1.1 billion from its three thrift subsidiaries and $2.1 billion at Citicorp Real Estate Inc., in New York.

Top Mortgage Servicers
Tables Begin on Page 18

One new company did move into the top 10 mortgage companies. BancBoston Mortgage Companies Inc., which was created by the merger of three mortgage banking subsidiaries of the Bank of Boston Corp., has become the 10th largest mortgage company in the country, ranked by servicing volume.

Bank of Boston actually owned four mortgage banking subsidiaries. RIHT Mortgage Corp., Charlotte, N.C., will remain as a separate subsidiary of Bank of Boston, but it is being managed under a contract with BancBoston Mortgage, according to Dee Brown, vice president and director of corporate communications for BancBoston Mortgage. RIHT Mortgage was the 87th largest mortgage company at yearend.

The three companies that were merged to form the Jacksonville, Fla.-based BancBoston Mortgage were Stockton, Whatley, Davin & Co., which was the 23d largest mortgage company at midyear 1986; Mortgage Company of the South, which ranked 68th at midyear; and BancBoston Mortgage Corp., which ranked 143d.

Fleet Financial Group, Providence, R.I., owns two mortgage companies that rank in the top 15. Fleet Mortgage Corp., Milwaukee, is the eighth largest firm, while Fleet Real Estate Funding

Mortgage: Page 26 ➡

The Top 100 Mortgage Servicers

Changes in Market Share: 1986 Compared with Three Previous Years

	Number of Firms				Servicing Total ($ Billions)				Percent of Total Servicing			
	1986	1985	1984	1983	1986	1985	1984	1983	1986	1985	1984	1983
Bank-Related	**35**	37	41	45	**156.2**	149.8	157.8	144.4	**33.9%**	37.7%	46.2%	48.1%
Thrift-Related	**31**	27	25	16	**125.4**	103.6	82.6	52.2	**27.2**	26.0	24.2	17.4
All Other	**34**	36	34	39	**179.6**	144.4	100.9	103.4	**38.9**	36.3	29.6	34.5
Total	**100**	100	100	100	**461.2**	397.8	341.3	300.0	**100.0**	100.0	100.0	100.0

WASHINGTON BRIEFING

Federal Deposit Insurers Pay Large Fees To Lawyers Handling Bank, Thrift Failures

By JIM McTAGUE
Washington Bureau

DEPOSIT institution failures might be the biggest boon to cash flows at legal firms since the discovery of whiplash.

In fiscal year 1986, the Federal Deposit Insurance Corp. spent about $40 million on lawyers, and the Federal Savings and Loan Insurance Corp. spent close to $15 million, although it obligated a total of $79 million. The unspent portion represents what the current FSLIC cases could end up costing in legal fees alone.

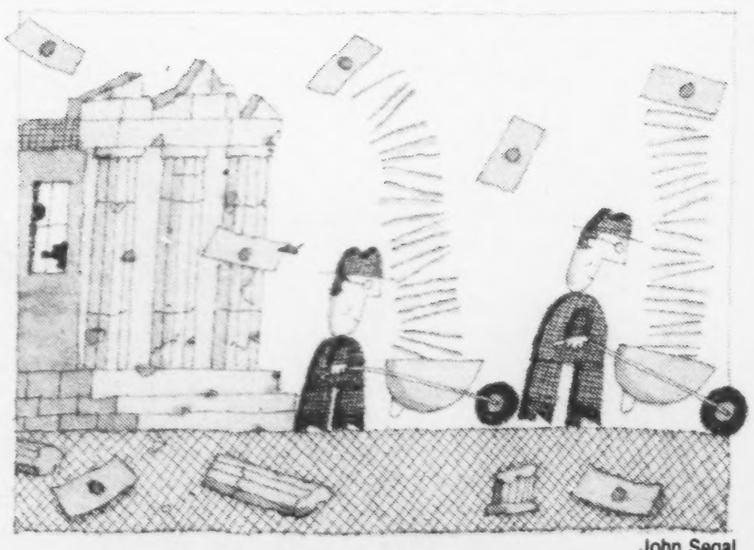
Hopkins and Sutter, a Chicago law firm, FSLIC's favorite legal beagles, have been the big money earners over the past three years, with fees totaling $12.3 million for 1984, 1985, and 1986.

In comparison, the Federal Deposit Insurance Corp.'s biggest fees went to Kemp, Smith, Duncan & Hammond of El Paso, Tex. They collected $6,552,766, according to the FDIC.

FSLIC's other big fee firms for the past three years include:

- Squire, Sanders & Dempsey, Washington, D.C., $6,540,656.
- Tuttle and Taylor, Los Angeles, $2,988,349.
- Pettit and Martin, San Francisco, $2,772,123.
- Hutcheson and Grundy, Houston, $2,142,260.

The FDIC's other big fee firms include:



John Segal

- Gable & Gotwals, Tulsa, $6,470,016.
- Schall, Boudreau & Gore, San Diego, $4,619,871.

The FDIC spends more on outside lawyers than any other federal agency, and FSLIC ranks second.

□□□

Although none of the thrift failures to date has been attributable to losses in the burgeoning secondary mortgage market, regulators are getting jumpy. Mer-

Federal: Page 26 ➡

Federal Deposit Insurers Pay Large Law Fees for Bank Failures

Continued from Page 24

rill Lynch's legendary $275 million hit from its mortgage securities trading didn't assuage those nerves.

The regulators find they don't know enough about many of the new-fangled mortgage securities being hatched by Wall Street to effectively police the institutions that are buying the investment products. To help bridge that knowledge gap, the staff of the Federal Home Loan Bank Board will hold a conference next Thursday and Friday with mortgage industry representatives at its headquarters in Washington, D.C.

Much of what the staff learns will contribute to future staff actions regarding mortgage-related securities.

The meeting is open to the public, and there will be a comment period at the end of each day for members of the audience.

Among the staff's concerns are:

• The lack of a broad, deep market for many of the new products. They fear that such illiquidity could cause "major problems" if the FSLIC has to sell such assets promptly and at a reasonable price.

• The low quality of some assets held by institutions. The staff will ask if it should impose higher capital requirements on thrifts that invest in certain derivative mortgage products, "particularly those securities not eligible for investment by the Secondary Mortgage Market Enhancement Act of 1984." And they will ask the mortgage industry representatives if thrifts with less than 6% capital, as determined by applying generally accepted accounting principles, should be allowed to make such investments at all.

• A proposal that the Bank Board impose specific minimum legal safeguards for a derivative mortgage security, such as a stripped mortgage, to be a permitted investment for insured institutions. One suggestion is to restrict securities to investment-grade issues.

The Bank Board is also considering curbing the purchase of low-quality debt, or junk bonds, by thrifts, but that topic will not be addressed at the conference.

□□□

Eugene J. Sherman, an economist with the Federal Home Loan Bank of New York, said recent interest rate increases will translate into 180,000 to 200,000 fewer housing starts than would have been the case if rates had remained at February's low levels.

Mr. Sherman said the outlook for interest rates is grim.

"If the dollar were to stabilize and international policy coordination improve, interest rates would probably drop as quickly as they rose and return to the levels that prevailed before March 26, or go even lower," he wrote in the bank's May 11 *Economics Bulletin.* "But there is no reason for optimism. Economic policy coordination is not at hand."

Mr. Sherman said rates will depend on the direction of dollar prices. If the dollar stabilizes, rates may move slightly lower. A declining dollar will boost rates even higher, he predicted. ■

Lenders Feel Effects as Higher Rates Result in Fewer Loan Applications

For the past two weeks, traders have noted a shortage of mortgage securities because of two main factors — higher mortgage rates and dropping securities prices. Lenders, they said, are beginning to feel the effects of mortgage rates that have jumped 150 basis points in the past seven weeks, resulting in fewer loan applications.

Mortgage Markets

Mortgage bankers also sold off vast amounts of inventoried loans in early April, when the mortgage market began its downturn, flushing out the "pipeline." This, combined with fewer loan applications, means fewer mortgages are packaged for sale to dealers.

In addition, secondary mortgage market prices have dropped steadily to lose about six points in the last month. This means that many thrifts, which are the largest group of mortgage securities buyers, own loans that are worth less than the price at which they were purchased. And, traders said, many of these thrifts have a policy of not selling securities at a loss, which effectively keeps these instruments from being returned to the trading flow.

Although mortgage securities are in tight supply, traders said this poses no real problem because in the market's current inert state, buyers are also scarce. But, as one trader predicted, if buying interest picks up, "mortgages are going to go through the roof. Dealers are going to crawl all over each other to get securities."

Other traders disagree, saying that in the event of a market upturn, investors would bail out of mortgages and buy the more liquid Treasuries because prices of those securities would appreciate faster than comparable maturity mortgage-backeds.

— Evelyn Wallace

Midwest Thrifts Are on Acquisition Trail

Continued from Page 25

Dakota, and Wisconsin in July 1986.

Mr. Buendorf said the interstate law for thrifts in Minnesota required the state regulator to come up with rules and regulations surrounding takeovers. Because of an effort to avoid conflicts with other states' laws, "it's taken a while for the banking commissioner to come up with proper regulations."

Missouri banks got the right to expand into eight contiguous states in August 1986, but there have been no deals announced, partly because only one other state included in the region — Arkansas — has passed a similar law.

Another reason for the inactivity may be that, as in other states, there is not much interest in Missouri. "I don't think it's that hot a topic at this moment," said Robert C. Carroll, president of the Missouri Savings and Loan League. "We just had a management conference, and no one discussed it."

But recent signs lead some thrift executives to believe that activity may be picking up soon.

The ice may have been broken when Metropolitan Federal Savings Bank of Moorhead in Minnesota announced recently that it had reached an agreement to buy the $301 million-asset Community Savings and Loan Association of Fond du Lac, Wis., for about $22 million. Metropolitan Federal is a subsidiary of Metropolitan Financial Corp., Fargo, N.D., which also has savings and loan operations in Minnesota, North Dakota, and South Dakota.

In Michigan, several thrifts, including Standard Federal Bank in Troy, the state's second largest, and Great Lakes Federal Savings in Ann Arbor, the third largest, have indicated that they might be interested in using the interstate powers that are included in a new thrift bill that is making its way through the state Legislature.

Thrifts may also be playing close to the vest as far as their plans. "I've talked to a few people, and I haven't found anyone who admits he is going to use it or be acquired," said the Indiana thrift group's Mr. McKasson of that state's new law. "There seems to be a general attitude that if banks have it, they should too, so they don't find themselves in the situation in the future where they are under the gun and need it."

However, a recent survey by his group showed that almost 80% of the thrifts responding supported the new legislation, he said. ■

Remic Trading Isn't As Hot as Expected

CHICAGO — The much-expected growth and acceptance of real estate mortgage investment conduits, or Remics, has not occurred so far, according to a recently published report.

Hailed as the "wave of the future" for the mortgage-backed securities market when Remic legislation was passed, the effects to date "have been less dynamic than anticipated," according to a report by Duff & Phelps Inc., a research and ratings firm based here.

The report, in the May 11 issue of the firm's publication *Credit Decisions,* says the delay in activity is "principally because of the lack of implemental regulations." Once the necessary clarifications are worked out with regulatory authorities, the report concludes, Remics will be successful.

"A few issuers have tested the water with Remic offerings, and it is expected that others will follow," the report states. "Most feel the benefits of the legislation are clear despite the slow start, and Remics will ultimately live up to expectations."

Mortgage . . .

Continued from Page 24

Corp., Columbia, S.C., moved up to 13th. The South Carolina company acquired $2.9 billion in servicing when it bought the assets of Security Pacific Mortgage Corp. last November.

Fleet ranks fourth overall in combined servicing.

Among thrifts, City Federal Savings Bank, Bedminster, N.J., had the largest mortgage-servicing portfolio at year-end. City Federal operates a large mortgage banking subsidiary, CityFed Mortgage Co. The top thrift is the fifth largest servicer overall among banks, thrifts, and mortgage companies. ■

What's REQUIRED READING?

Significant papers and speeches by experts in the financial services industry are printed in American Banker's REQUIRED READING column because you won't want to miss what they have to say.

Diversity, expertise and financial strength...

make us first rate in the secondary mortgage market.

Our Loan Portfolio includes the full range of single family mortgages—both fixed and adjustable rate—plus shopping centers, apartment complexes and commercial/industrial properties, including many prime Central and Southern California locations.

We're highly experienced in all facets of secondary marketing. We know how to respond quickly to potential problems and insure a smooth transaction and we're backed by an organization that's over $2.7 billion strong.

So when you're in the market for mortgages, call the experts at Valley Federal Savings.

Contact Tom Patrick at (818) 904-3763

Valley Federal Savings

FSLIC EQUAL HOUSING LENDER

Funds insured to $100,000 • Assets over $2.7 billion.